SHIRAZ HOTEL & RESTAURANT SDN. BHD.

v.

SHIRAZ RESTORAN

HIGH COURT MALAYA, IPOH
ANUAR ZAINAL ABIDIN J
[CIVIL SUIT NO. 243 OF 1985]
25 OCTOBER 1985

CIVIL PROCEDURE: *Injunction - Application by defendant to dissolve interim injunction obtained by plaintiff - 'Passing off' action - Principles applicable - 'Shiraz' - Whether plaintiffs had proprietary right - Serious questions to be tried - Balance of convenience.*

The plaintiffs, who are restauranteurs, applied and were granted interim injunction against the defendant from using and exhibiting the trade name, mark and description 'Shiraz Restoran'.

The defendants now applied to dissolve the said interim injunction.

Held: allowing the application.
[1] The plaintiff have no right to exclusive use of the trade name based merely on the length of time they have used it.

[2] As the defendants have situated their restaurant in Ipoh, and the plaintiff's restaurants bearing the name 'Shiraz' are located in KL and PJ, the plaintiffs have failed to show that the name is well-known in Ipoh.

[3] Further in the circumstances, the plaintiffs have not shown that the defendant are serving the same kind of food as the plaintiffs.

[4] On a balance of convenience, it would cause the defendants inconvenience and to suffer loss which could not be adequately compensated by damages.

[Application allowed.]

Cases referred to:
Lian Keow Bhd. v. Overeas Credit Finance Bhd. [1982] CLJ (Rep) 182
Asian Organisation Ltd. v. White Hudson & Co. [1982] MLJ 139
White Hudson & Co. v. Asian Organisation Ltd. [1965] MLJ 186

For the plaintiffs - Bachan; M/s. Bachan & Kartar
For the defendants - Thayalan; M/s. Sandu & Co.

JUDGMENT

Anuar Zainal Abidin J:

This is an application by the defendant to dissolve an interim injunction granted against him dated 14 February 1985.

By an order dated 14 February 1985 the plaintiff was granted an injunction to restrain the defendants by themselves or their agents or servants from using and exhibiting the trade name, mark and description of "Shiraz Restoran" at No. 3B, Jalan Lahat, Ipoh.

The plaintiffs operate a restaurant and coffee house bearing the trade name of "Shiraz Restaurant" at No. 1-3, Jalan Medan Tuanku of Jalan Tuanku Abdul Rahman, Kuala Lumpur. The plaintiffs also have another restaurant bearing the same trade name in Petaling Jaya.

In his application for an interim injunction, the plaintiff stated that the defendant is about to open a restaurant at No. 3-B, Jalan Lahat, Ipoh bearing the same trade name, mark and description of the plaintiffs. This would amount to a wrongful, improper and unlawful passing off the trade name, mark and description which belongs to the plaintiffs. On those grounds the plaintiffs were granted an interim injunction against the defendants.

The defendants in their defence averred that the plaintiffs have no proprietory right to the name *Shiraz.* Further, the defendants stated that the name used by them is "*Al-Shiraz*" which is materially different from the name of the plaintiffs. In any event, the defendants further contended that while the plaintiffs serve Northern Indian food the defendants serve South and Tamil Muslim or "mamak" food. There is therefore no possibility of customers being misled or deceived.

It is now established that the principle underlining the grant or refusal of interlocutory injunction is the question whether there is a serious question to be tried. If there is, then the *status quo* must be preserved until the trial. However, where an order is granted on an *ex-parte* application, it is open to the Court to set it aside later, if upon considering the affidavits and arguments of the opposing parties the Court thinks that the balance of convenience lies in refusing it *Lian Keow Bhd. v. Overseas Credit Finance Bhd.* [1982] CLJ (Rep) 182.

In the present case, the plaintiffs claim that they have certain proprietory right over the trade name "*Shiraz Restoran*" because it is so well known and they have used it for more than 20 years. The plaintiffs claim the right to exclusive use of the trade name is based merely on the length of time they have used it. It is quite wrong for the plaintiffs to make a claim to such a right on that ground. The word "*Shiraz*" is the name of a well known city in Iran. No one can claim an exclusive right to use the name.

The plaintiffs claim that the defendants are passing off the name of the plaintiffs. The "*Shiraz Restaurant*" is a very popular restaurant in Kuala Lumpur and Petaling Jaya and the plaintiffs have spent a large sum of money advertising the business. However, the plaintiffs have not shown whether or not the name is similarly wellknown in Ipoh. Furthermore, the plaintiffs have not shown that the defendants are offering the same kind of food that the plaintiffs are serving. Merely using the name "*Shiraz*" is not passing off. The fundamental principle of law involved in such an action is that nobody has any right to represent his goods as the goods of somebody else. *Asian Organisation Ltd. v. White Hudson & Co.* [1982] MLJ 139 at 140-141.

The essence of a passing off action is that the defendants are not entitled to represent their goods as the goods of the plaintiffs. The plaintiffs must therefore show that the set up of his goods has become distinctive of these goods and that it was associated or identified with them. *White Hudson & Co. v. Asian Organisation Ltd.* [1965] MLJ 186. There is nothing in this case to show that the defendants are serving the same kind of food as that served by the plaintiffs. The plaintiffs must in order to succeed show that the defendants have caused to pass off such a similarity as is calculated to deceive. Unless the plaintiffs can establish that I think he must fail.

The next is the question of the balance of convenience. The plaintiffs have no business in Ipoh. They have their restaurants in Kuala Lumpur and Petaling Jaya. They have however planned to open a branch in Ipoh. In the premises the plaintiffs would not suffer any loss for the present. On the other hand, the defendants have already started their business. To stop them now would cause inconvenience and the defendants would suffer loss. I am of the view that the damages suffered by the defendants would not be adequately compensated. The balance of convenience would certainly lie in favour of the defendants.

For the above reasons I would allow this application and set aside the injunction.

Also found at [1989] 1 CLJ 527